WORKING CAPITAL MANAGEMENT IN NIGERIA BANKING INDUSTRY

BY

ONYEJI, STEPHEN IFEANYI
PG/MBA/11/60178

BEING A DISSERTATION PRESENTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION (MBA) IN BANKING AND FINANCE

TO THE DEPARTMENT OF BANKING AND FINANCE, FACULTY OF BUSINESS ADMINISTRATION, UNIVERSITY OF NIGERIA, ENUGU CAMPUS

MAY, 2013

ABSTRACT

Working capital management is very crucial in this period of global financial turmoil. This is because illiquidity is prevalent world wide necessitating that effective and efficient management of any available cash will be needed to ensure that company breaks even and survives this distressed time since credit is not easily come by. This project presents empirical evidence of the effect of working capital management and liquidity in Nigeria banking industry using annual financial report data for the period 2000-20 10. These data were analyzed using descriptive statistics and Financial Analysis Techniques of working capital ratios. Contrary to most previous empirical works, cash operating cycle has a significantly positive relationship with banks' working capital management, just like debtors' collection period; whiles creditors' payment period exhibits a significantly opposite relationship. However Nigeria banks appear to perform poorly in these working ratios.